under Article 2 of the Agreement on Textiles & Clothing. However, products in both Parts A & B would be relevant for safeguard action under Article 6 of the Agreement.

(iii) C6nsequentiai changes to reflect these modifications in the Annex would have to be made in the relevant Articles of Draft Agreement.

(iv) Raise the integration factors from the current figures of 16%, 17%, & 18% in the three stages which would help in making the integration process more uniformly spread.

(v) Raise substantially the growth factors for the quotas.

Import of Rags

302. SHRI V. HANUMANTHA RAO : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Government have decided to import woollen rags/ synthetic rags shoddy wool in a completely mutilated form ;

(b) if so, the reasons therefor;

(c) what is the quantity of rags to be imported; and

(d) the names of the firms authorised to import "woollen rags etc ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (d) Import of Woollen rage synthetic rags/ shoddy wool was permitted under OGL in the previous policies The rags continue to be freely importable, under the current Exim policy subject to the conditions that mutila-tiqn must conform to the requirements as specified by Customs authorities so as to prevent misuse of this import facility. Since the import is freely permitted by all persons without any specific authorisation, the likely quantum of imports in the near future cannot be estimated.

Multinational Company in Coffee Export Auction

303. DR. BAPU KALDATE : SHRIMATI KAMALA SINHA:

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Government have permitted a multinational company to participate; in the coffee export auction;

(b) if so, what are the details thereof stating ;

(i) whether it is against the rules of the Coffee Board;

(ii) if so, the reason for overlooking the rules; and

(c) what are the implications involved with the entry of multinational company in the coffee export auction bids in so far as the domestic exporters are concerned ?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): (a) to (c) Yes Sir. The Government had directed the Coffee Board to allow M/s. Nestle India Limited to participate in the export auction. The company was not allowed to participate in the export auction by the Coffee Board as they had allegedly shipped certain quantity of Coffee bought from the exoprt auction with the prescribed time limit. The intention of the Government was that while the cpmpany may be allowed to participate in the export auction, necessary action for not shipping coffee within the prescribed time limit or verification of stock obtained from export auction, may be taken against them separately. The reason for allowing the firm to participate in the export auction was that they are one of the exporters of value added coffee and their non-participation in the export auction was that they are one of the exporters of value added coffee and their non-participation in the export auction and subsequent disruption in export would have affected India's export earnings. Since this company and other multi-nationals are in the export market for the last many years, their entry in the export auction is not likely to adversely affect the domestic exporters.